

ADJUSTMENTS BUDGET OF MTHONJANENI MUNICIPALITY



2013/14

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1.1. Mayor's Report

It gives me a great pleasure to take the mid-year budget for the current financial year 2013/14, to you today. This budget comes during the time where the country has not moved out of the global economic crisis which affects the implementation of the programme and projects that we have set ourselves to undertake.

As the Municipality, we have managed within our budget; this achievement can be attributed to the good working relationships between the municipal officials and councillors on matters that have a budgetary implications.

This is evident when we look at various votes that there are very few needed adjustments, to illustrate what I have just said and want the council to concentrate on the following votes where there were challenges:

- Council S&T R250 000 this covers expenses for councillor's training, workshops, travel, SALGA and general council traveling.
- Vehicle repairs R125 000 due to the fact that our vehicles have gone beyond 5 years allowance time to keep vehicle due to our prudent nature of doing things. It has since been resolved that vehicles should be put on auction and new ones will be acquired the after.
- Pauper Burial Vote also saw an increase due to the increase of requests that we receive from the communities who request municipality to assist to bury their beloved ones.

On the issue of the provision of the basic infrastructure the electrification of Yanguye and Mfanefile the projects are going well. However challenge in ward 5 where we had to move and relate the project because of Eskom customers that we had to arrest with

I am happy to announce that as we speak, the contractor is on site and we hope to achieve 100% completion before the end of the financial year.

The rural road especially in ward 2 & 3 is almost 10% complete and we hope to achieve 100% completion before the end of the financial year.

The urban road has just commenced, we have been waiting for soil and diversity test result before it commencement also we are optimistic that we shall complete the ward way before the end of the financial year.

We have challenge though with the upgrade of Melmoth sub-station, the council we recall. We put aside R15 m to upgrade the sub-station. Eskom has not yet responded on the quotation requested, but once the quotation received, we shall be able to embark on the upgrading programme. It is important to mention that currently we still have enough capacity, we are not going to experience load shedding shortly.

The challenge that we also have is on the housing project especially at Makhasaneni, but that is receiving attention. Ward 3 and phase 2 Ward 6 project is where we have a challenge

because of the land ownership, but I have taken upon myself to approach the National minister of land affairs to assist with land issues.

Chairperson I can go on and on to mention what we have achieved and what we have not, it is suffice for me to end here and to say such few words and I hereby tabling the mid-year budget received for your input and approval.

1.2 Council Resolutions

On 22 January 2014 the Council of Mthonjaneni Local Municipality met in the Council Chambers of Mthonjaneni Municipality to consider the adjustments budget of the municipality for the financial year 2013/14. The Council approved and adopted the following resolutions:

1. The Mthonjaneni Local Municipality, acting in terms of section 72 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1. The annual budget of the municipality for the financial year 2013/14 and the multi-year and single-year capital appropriations as set out in the following tables:
 - 1.1.1. Adjustments Budget Financial Performance (revenue and expenditure by standard classification) as contained in Table B2
 - 1.1.2. Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) as contained in Table B3
 - 1.1.3. Adjustments Budget Summary as contained in Table B1
 - 1.1.4. Adjustments Budget financial performance (revenue and expenditure) as contained in Table B4
 - 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1. Adjustments Budget Financial Position as contained in Table B6
 - 1.2.2. Adjustments Budget Cash Flows as contained in Table B7
 - 1.2.3. Adjustments Budget Cash backed reserves and accumulated surplus reconciliation as contained in Table A8
 - 1.2.4. Adjustments Budget Asset management as contained in Table B9
 - 1.2.5. Adjustments Budget Basic service delivery measurement as contained in Table B10
2. The Council of Mthonjaneni Local Municipality, acting in terms of section 72 of the Local Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 February 2014:

1.3 Executive Summary

Section 72 of the Municipal Finance Management Act (MFMA) requires that municipalities review their financial results for the mid-year during January of each year. Section 52(d) of the MFMA requires that the Executive Mayor tables a report on the performance of the municipality to Council within 30 days after the end of the quarter. This report deals with both the financial results as well as the performance results.

Section 72 indicates that the following information must be provided:

- the monthly statements referred to in section 71 for the first half of the financial year;
- the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
- the past year's annual report, and progress on resolving problems identified in the annual report

As part of the review the accounting officer must:

- make recommendations as to whether an adjustment budget is necessary and
- recommend revised projections for revenue and expenditure to the extent that this may be necessary

ADJUSTMENT BUDGET TABLES

Adjustments Budget Summary -[B1]

Description	Budget Year 2013/14				Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands						
Financial Performance						
Property rates	6 650	950	950	7 600	7 828	8 063
Service charges	19 435	–	–	19 435	20 018	20 618
Investment revenue	1 750	2 050	2 050	3 800	3 914	4 031
Transfers recognised - operational	33 139	(11 762)	(11 762)	21 377	22 019	22 679
Other own revenue	5 874	675	675	6 548	6 745	6 947
Total Revenue (excluding capital transfers and contributions)	66 848	(8 087)	(8 087)	58 761	60 523	62 339
Employee costs	18 556	1 039	1 039	19 595	20 183	20 789
Remuneration of councillors	2 879	–	–	2 879	2 965	3 054
Depreciation & asset impairment	3 700	–	–	3 700	3 811	3 925
Finance charges	2 500	(2 500)	(2 500)	–	–	–
Materials and bulk purchases	21 043	(430)	(430)	20 613	21 231	21 868
Transfers and grants	–	–	–	–	–	–
Other expenditure	17 468	3 983	3 983	21 452	22 095	22 758
Total Expenditure	66 146	2 093	2 093	68 239	70 286	72 394
Surplus/(Deficit)	702	(10 180)	(10 180)	(9 478)	(9 762)	(10 055)
Transfers recognised - capital	12 487	13 623	13 623	26 110	26 894	27 700
Contributions recognised - capital & contribut	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	13 189	3 443	3 443	16 632	17 131	17 645
Share of surplus/ (deficit) of associate	–	–	–	–	–	–
Surplus/ (Deficit) for the year	13 189	3 443	3 443	16 632	17 131	17 645
Capital expenditure & funds sources						
Capital expenditure	34 200	20 858	20 858	55 058	18 448	19 482
Transfers recognised - capital	12 487	13 623	13 623	26 110	12 616	13 187
Public contributions & donations	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–
Internally generated funds	21 713	7 235	7 235	28 948	5 832	6 295
Total sources of capital funds	34 200	20 858	20 858	55 058	18 448	19 482
Financial position						
Total current assets	39 546	–	–	39 546	42 779	43 238
Total non current assets	183 230	–	–	183 230	161 108	132 486
Total current liabilities	27 425	–	–	27 425	3 845	3 892
Total non current liabilities	2 544	–	–	2 544	2 565	2 586
Community wealth/Equity	192 807	–	–	192 807	197 478	203 478
Cash flows						
Net cash from (used) operating	42 817	(32 460)	(32 460)	10 357	10 937	11 549
Net cash from (used) investing	(34 200)	7 589	7 589	(26 611)	(50 000)	(70 000)
Net cash from (used) financing	60	–	–	60	61	60
Cash/cash equivalents at the year end	72 081	(17 221)	(17 221)	54 860	33 078	8 966
Cash backing/surplus reconciliation						
Cash and investments available	37 040	–	–	37 040	40 500	40 500
Application of cash and investments	(2 034 450)	–	–	(2 034 450)	(1 913 201)	(2 472 296)
Balance - surplus (shortfall)	2 034 487	–	–	2 034 487	1 913 241	2 472 337
Asset Management						
Asset register summary (WDV)	57 304	113 383	113 383	170 687	36 660	38 236
Depreciation & asset impairment	3 700	–	–	3 700	3 811	3 925
Renewal of Existing Assets	–	–	–	–	–	–
Repairs and Maintenance	3 119	39	39	3 158	–	–

Adjustments Budget Financial Performance (standard classification) - [B2]

Standard Description	Budget Year 2013/14				Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands						
<u>Revenue - Standard</u>						
<i>Governance and administration</i>	41 603	(6 810)	(6 810)	34 793	35 837	36 912
Executive and council	–	–	–	–	–	–
Budget and treasury office	41 598	(6 810)	(6 810)	34 793	35 837	36 912
Corporate services	5	–	–	5	5	5
<i>Community and public safety</i>	628	2 457	2 457	3 085	3 064	3 156
Community and social services	628	2 457	2 457	3 085	3 064	3 156
<i>Economic and environmental services</i>	17 544	4 735	4 735	22 280	22 948	23 636
Road transport	17 544	4 735	4 735	22 280	22 948	23 636
<i>Trading services</i>	19 559	–	–	19 559	20 146	20 751
Electricity	18 445	5 263	5 263	23 708	24 419	25 151
Waste management	1 115	–	–	1 115	1 148	1 183
<i>Other</i>	–	–	–	–	–	–
Total Revenue - Standard	79 335	5 535	5 535	84 870	87 416	90 038
<u>Expenditure - Standard</u>						
<i>Governance and administration</i>	22 128	394	394	22 521	23 197	23 893
Executive and council	7 303	(255)	(255)	7 047	7 259	7 477
Budget and treasury office	9 181	(453)	(453)	8 728	8 990	9 260
Corporate services	5 644	1 102	1 102	6 746	6 948	7 157
<i>Community and public safety</i>	14 847	527	527	15 373	15 834	16 309
Community and social services	12 640	527	527	13 166	13 561	13 968
Public safety	2 207	–	–	2 207	2 273	2 341
<i>Economic and environmental services</i>	6 158	1 091	1 091	7 248	7 466	7 690
Planning and development	5 463	1 141	1 141	6 604	6 802	7 006
Road transport	695	(50)	(50)	645	664	684
<i>Trading services</i>	23 014	82	82	23 096	23 789	24 502
Electricity	21 227	9	9	21 236	21 873	22 529
Waste management	1 787	73	73	1 860	1 915	1 973
Total Expenditure - Standard	66 146	2 093	2 093	68 239	70 286	72 394
Surplus/ (Deficit) for the year	13 189	3 442	3 442	16 631	17 130	17 644

Table B3 Adjustments Budget Financial Performance -[B3]

Vote Description <i>[Insert departmental structure etc]</i> R thousands	Budget Year 2013/14				Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue by Vote						
Vote 1 - Council	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-
Vote 3 - Financial Services	41 598	(6 810)	(6 810)	34 788	35 832	36 906
Vote 4 - Corporate and Community Services	22	-	-	22	23	23
Vote 5 - Public Safety	-	-	-	-	-	-
Vote 6 - Public Health	-	-	-	-	-	-
Vote 7 - Protection Services	5 056	700	700	5 756	5 929	6 107
Vote 8 - Technical Services	13 099	6 382	6 382	19 481	20 065	20 667
Vote 9 - Refuse Removal	1 115	-	-	1 115	1 148	1 183
Vote 10 - Electricity	18 445	5 263	5 263	23 708	24 419	25 151
Total Revenue by Vote	79 335	5 535	5 535	84 870	87 416	90 038
Expenditure by Vote						
Vote 1 - Council	4 364	(145)	(145)	4 219	4 345	4 476
Vote 2 - Municipal Manager	2 939	(110)	(110)	2 829	2 914	3 001
Vote 3 - Financial Services	9 181	(453)	(453)	8 728	8 990	9 260
Vote 4 - Corporate and Community Services	6 293	969	969	7 262	7 480	7 704
Vote 5 - Public Safety	2 207	-	-	2 207	2 273	2 341
Vote 6 - Public Health	-	-	-	-	-	-
Vote 7 - Protection Services	5 463	1 141	1 141	6 604	6 802	7 006
Vote 8 - Technical Services	12 685	609	609	13 295	13 694	14 104
Vote 9 - Refuse Removal	1 787	73	73	1 860	1 915	1 973
Vote 10 - Electricity	21 227	9	9	21 236	21 873	22 529
Total Expenditure by Vote	66 146	2 093	2 093	68 239	70 286	72 394
Surplus/ (Deficit) for the year	13 189	3 442	3 442	16 631	17 130	17 644

Summary of adjusted revenue classified by main revenue source [B4]

Description	Budget Year 2013/14				Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	8 F	9 G	10 H		
Revenue By Source						
Property rates	6 200	–	950	7 150	7 365	7 585
Property rates - penalties & collection charges	450		–	450	464	477
Service charges - electricity revenue	18 322	–	–	18 322	18 872	19 438
Service charges - water revenue	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–
Service charges - refuse revenue	1 113	–	–	1 113	1 146	1 180
Service charges - other			–	–		
Rental of facilities and equipment	385	(110)	(110)	275	283	292
Interest earned - external investments	1 750	2 050	2 050	3 800	3 914	4 031
Interest earned - outstanding debtors			–	–		
Dividends received			–	–		
Fines	1 902	698	698	2 600	2 678	2 758
Licences and permits	2 832		–	2 832	2 917	3 005
Agency services	–		–	–		
Transfers recognised - operating	33 139	(11 762)	(11 762)	21 377	22 019	22 679
Other revenue	755	87	87	841	866	892
Gains on disposal of PPE						
Total Revenue (excluding capital transfers and contributions)	66 848	(8 087)	(8 087)	58 761	60 523	62 339

OPERATING GRANT TRANSFERS:

Included in the negative adjustment of R9.6 million are the following negative adjustments:

- The decrease in equitable share, an amount of R10. 7 million was with-held from the current year's equitable share due to unspent funds on the electrification grant and subsequent failure to apply for a roll over.
- A grant amount of R1.2 million was anticipated to be received from the department of Economic Development & Tourism. This amount was never received and has since been removed from the gazette.

The following rollovers approved during the course of the year have also been included:

- | | | |
|-----|-------|----------|
| I. | SPORT | R 28 999 |
| II. | EPWP | R139 247 |

RENTAL OF FACILITIES AND EQUIPMENT:

An amount of R250 000 was budgeted to be received from the lease of town lands, no amounts have been received. The lease amount was in dispute since the beginning of the financial year however a council resolution was passed in November renewing the lease, however for a lesser amount of R140 000.

OTHER REVENUE:

Other revenue includes an amount of R70 000 which was received from uThungulu District municipality for the training of ward committees.

INTEREST INCOME & TRAFFIC FINES:

These two line items have been adjusted accordingly in view of the prior year final results as well as the year to date budget which is higher than what was anticipated.

CAPITAL GRANT TRANSFERS:

Original Budget	Adjustment	Adjusted Budget
R 12 487	R 13 623	R26 110

The adjustment to capital grant transfers is due to the approval of the following grant roll over:

- MIG R 4 035 324
- NDUNDULU R2 174 863
- SMALL TOWN R1 884 920
- INEG R5 263 099

Included is also an amount of R265 000 which was received from uThungulu District Municipality for the purpose of building bus shelters. This amount was erroneously omitted from the original budget.

Summary of adjusted expenditure by type [B4]

Description	Budget Year 2013/14				Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	8 F	9 G	10 H		
Expenditure By Type						
Employee related costs	18 556	1039	1039	19 595	20 183	20 789
Remuneration of councillors	2 879		–	2 879	2 965	3 054
Debt impairment			–	–		
Depreciation & asset impairment	3 700	–	–	3 700	3 811	3 925
Finance charges	2 500	(2 500)	(2 500)	–	–	–
Bulk purchases	17 456	–	–	17 456	17 979	18 519
Other materials	3 587	(430)	(430)	3 158	3 252	3 350
Contracted services	5 193	1 589	1 589	6 782	6 986	7 195
Transfers and grants			–	–		
Other expenditure	12 276	2 394	2 394	14 669	15 110	15 563
Loss on disposal of PPE			–	–		
Total Expenditure	66 146	2 073	2 073	68 239	70 286	72 394

EMPLOYEE REALATED COSTS:

There are posts that were filled during the course of the year that had not been included in the budget as well as the need to account for the fluctuation in over time.

FINANCE CHARGES:

Finance charges were incorrectly budgeted for. The municipality has no outstanding loans and has not budgeted to get any loan this financial year. The finance charges will be removed from the operating expenditure budget in the adjustment budget.

OTHER MATERIALS:

Majority of other materials was amounts budgeted for the repairs to municipal vehicles. A council resolution has been passed to auction all relatively old municipal vehicles. All repairs to these vehicles have since come to a halt.

CONTRACTED SERVICES:

There has been a fluctuation in the amounts paid out to TMT. It should be noted that Management is looking at rectifying terms of the contract so as to reduce the excessive amount paid on this contracted service.

GENERAL EXPENDITURE:

The increase in general expenditure can be attributed to various adjustments as identified in midyear review report. To name a few there was an adjustment to the following items pauper burials, chemicals, food for waste, security, legal fees and subscriptions.

ADJUSTMENTS TO THE CAPITAL BUDGET

Adjustments Capital Expenditure Budget by vote and funding[B5]

Description	Budget Year 2013/14				Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands						
<u>Capital expenditure - Vote</u>						
<u>Multi-year expenditure to be adjusted</u>						
Multi-year expenditure appropriation	–	–	–	–	–	–
Vote 1 - Council	935	–	–	935	1 024	1 082
Vote 2 - Municipal Manager	35	210	210	245	–	–
Vote 3 - Financial Services	–	–	–	–	–	–
Vote 4 - Corporate and Community Services	–	655	655	655	–	–
Vote 5 - Public Safety	–	–	–	–	–	–
Vote 6 - Public Health	–	–	–	–	–	–
Vote 7 - Protection Services	918	–	–	918	970	1 024
Vote 8 - Technical Services	15 582	8 730	8 730	24 312	16 455	17 376
Vote 9 - Refuse Removal	–	–	–	–	–	–
Vote 10 - Electricity	16 730	11 263	11 263	27 993	–	–
Capital multi-year expenditure sub-total	34 200	20 858	20 858	55 058	18 448	19 482
<u>Capital Expenditure - Standard</u>						
<u>Revenue - Standard</u>	970	865	865	1 835	1 024	1 082
Governance and administration	970	210	210	1 180	1 024	1 082
Executive and council	–	–	–	–	–	–
Budget and treasury office	–	665	665	665	–	–
Corporate services	3 953	2 445	2 445	80 38	4 174	4 408
Community and public safety	3 035	4 085	4 085	71 20	3 205	3 384
Community and social services	–	–	–	–	–	–
Sport and recreation	918	–	–	918	970	1 024
Public safety	–	–	–	–	–	–
Housing	–	–	–	–	–	–
Health	12 547	4 645	4 645	17 192	13 250	13 992
Economic and environmental services	–	–	–	–	–	–
Planning and development	12 547	4 645	4 645	17 192	13 250	13 992
Road transport	–	–	–	–	–	–
Environmental protection	16 730	11 263	11 263	27 993	–	–
Trading services	16 730	11 263	11 263	27 993	–	–
Waste management	–	–	–	–	–	–
Total Capital Expenditure - Standard	34 200	20 858	20 858	55 058	18 448	19 482
<u>Funded by:</u>						
National Government	12 487	13 623	13 623	26 110	12 616	13 187
Total Capital transfers recognised	12 487	13 623	13 623	26 110	12 616	13 187
Internally generated funds	21 713	7 235	7 235	28 948	5 832	6 295
Total Capital Funding	34 200	20 858	20 858	55 058	18 448	19 482

Adjustments to capital budget are due mainly to the approval of capital grants roll overs that have already been discussed under capital grant transfer adjustments.

Refer to table SB19 for detailed changes to capital projects.

Adjustments Budget Financial Position- [B6]

Description	Budget Year 2013/14				Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands						
ASSETS						
Current assets						
Cash	14 000		–	14 000	10 000	10 000
Call investment deposits	23 040	–	–	23 040	30 500	30 500
Consumer debtors	2 010	–	–	2 010	1 755	2 185
Other debtors	211		–	211	223	236
Current portion of long-term receivables			–	–		
Inventory	285		–	285	301	318
Total current assets	39 546	–	–	39 546	42 779	43 238
Non current assets						
Long-term receivables			–	–		
Investments			–	–		
Investment property	2 500		–	2 500	2 450	2 400
Investment in Associate			–	–		
Property, plant and equipment	175 546	–	–	175 546	153 479	124 912
Agricultural			–	–		
Biological	5 136		–	5 136	5 136	5 136
Intangible	48		–	48	43	38
Other non-current assets			–	–		
Total non current assets	183 230	–	–	183 230	161 108	132 486
TOTAL ASSETS	222 777	–	–	222 777	203 888	175 725
LIABILITIES						
Current liabilities						
Bank overdraft			–	–		
Borrowing	–	–	–	–	–	–
Consumer deposits	500		–	500	528	558
Trade and other payables	26 625	–	–	26 625	3 000	3 000
Provisions	300		–	300	317	335
Total current liabilities	27 425	–	–	27 425	3 845	3 892
Non current liabilities						
Borrowing	–	–	–	–	–	–
Provisions	2 544	–	–	2 544	2 565	2 586
Total non current liabilities	2 544	–	–	2 544	2 565	2 586
TOTAL LIABILITIES	29 969	–	–	29 969	6 410	6 478
NET ASSETS	192 807	–	–	192 807	197 478	169 247
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)	192 807	–	–	192 807	197 478	203 478
Reserves	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	192 807	–	–	192 807	197 478	203 478

Adjustments Budget Cash Flows - [B7]

Description	Budget Year 2013/14				Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Ratepayers and other	37 553		–	37 553	39 656	41 877
Government - operating	33 139	(11930)	(11930)	21 377	22 019	22 679
Government - capital	12 487		–	12 487	13 186	13 925
Interest	23 283	(20 530)	(20 530)	2 753	2 907	3 070
Dividends			–	–		
Payments						
Suppliers and employees	(63 646)			(63 646)	(67 210)	(70 973)
Finance charges			–	–		
Transfers and Grants			–	–		
NET CASH FROM/(USED) OPERATING ACTIVITIES	42 817	(32 460)	(32 460)	10 357	10 937	11 549
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE			–	–	–	–
Decrease (Increase) in non-current debtors	–		–	–	–	–
Decrease (increase) other non-current receivables	–		–	–		
Decrease (increase) in non-current investments		20 919	20 919	20 919		
Payments						
Capital assets	(34 200)	(20 858)	(20 858)	(55 058)	(50 000)	(70 000)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(34 200)	61	61	(34 139)	(50 000)	(70 000)
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Short term loans			–	–		
Borrowing long term/refinancing			–	–		
Increase (decrease) in consumer deposits	60		–	60	61	60
Payments						
Repayment of borrowing			–	–		
NET CASH FROM/(USED) FINANCING ACTIVITIES	60	–	–	60	61	60
NET INCREASE/ (DECREASE) IN CASH HELD	8 677	(32 399)	(32 399)	(23 722)	(39 002)	(58 391)
Cash/cash equivalents at the year begin:	63 404	7 651	7 651	71 054	72 081	67 356
Cash/cash equivalents at the year end:	72 081	(24 748)		47 332	33 078	8 966

Adjustments to operating government grants are due to withholding of funds amounting to R11.9 million by national treasury. This adjustment in transfers has been discussed in great detail under table B4 (summary of operating revenue by source)

The amount of capital assets to be acquired has increased thus the increase in the expected cash outflow of R20.8 million.

This has resulted in a decrease in the amount budgeted for cash/cash equivalents at year end from R72 million to R47 million.

Cash backed reserves/accumulated surplus reconciliation [B8]

Description	Budget Year 2013/14				Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands						
<u>Cash and investments available</u>						
Cash/cash equivalents at the year end	72 081	(24 748)	(24 748)	47 332	33 078	8 966
Other current investments > 90 days	(35 041)	24 748	24 748	(10 292)	7 422	31 534
Non current assets - Investments	-	-	-	-	-	-
Cash and investments available:	37 040	-	-	37 040	40 500	40 500
<u>Applications of cash and investments</u>						
Unspent conditional transfers	23 125	-	-	23 125	-	-
Unspent borrowing			-	-		
Total Application of cash and investments:	23 125	-	-	23 125	-	-
Surplus(shortfall)	13 915	-	-	13 915	40 500	40 500

2.1 Adjustments to budget funding:

Operating revenue

Description	Budget Year 2013/14				Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands						
Total Revenue (excluding capital transfers and contributions)	66 848	(8 087)	(8 087)	58 761	60 523	62 339

The above table is an extract of table B4 of schedule B. The total decrease in operating revenue is R8 million a decrease of 13%. The major contributing factor being the decrease in operating grant transfers. A detailed analysis of each line item can be seen in the explanatory notes to table B4 (an analysis of operating revenue).

Investment particulars by maturity:

Investments by maturity Name of institution & investment ID R thousands	Type of Investment	Expiry date of investment	Yield for the month 1 (%)	Market value at beginning of the month
<u>Municipality</u>				
INVESTEC	FIXED	10/06/2014	5,9%	9 000
NEDBANK	FIXED	12/01/2015	6,3%	25 000
NEDBANK	FIXED	02/05/2014	5,4%	9 000
INVESTEC	CALL	-		7 000
FNB	FIXED	12/11/2013	4,8%	1 540
FNB	FIXED	GUARANTEE	2,2%	500
Municipality sub-total				52 040

The table above shows our investment as at midyear. The funding strategy has been informed directly by ensuring financial sustainability and continuity; however a further decrease in investments is necessary in order to cover the shortfall in operating revenue. A further project of R15 000 000 for the upgrading of the power station will be funded exclusively from investments.

Capital revenue

The capital expenditure budget will be funded from the grants to the value of R 26.1 Million. This amount includes approved roll overs. The balance will be funded from internal funds and investments. See explanatory notes to table B4.

2.2 Expenditure on grants and reconciliations of unspent funds

Adjustments Budget - transfers and grant receipts -[SB7]

Description	Budget Year 2013/14				Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands						
RECEIPTS:						
<u>Operating Transfers and Grants</u>						
National Government:	31 270	(10 695)	(10 695)	20 575	319 848	41 799
Local Government Equitable Share	27 730	(10 695)	(10 695)	17 035	317 114	38 882
Finance Management	1 650	–	–	1 650	1 800	1 950
Municipal Systems Improvement	890	–	–	890	934	967
EPWP Incentive	1 000	–	–	1 000		
Other transfers and grants [insert description]		–	–	–		
Provincial Government:	1 869	(1 235)	(1 235)	634	–	–
MAP, Library, Economic Development/ Tourism	1 869	(1 235)	(1 235)	634		
Other transfers and grants [insert description]		–	–	–		
		–	–	–		
Total Operating Transfers and Grants	33 139	(11 930)	(11 930)	21 209	319 848	41 799
<u>Capital Transfers and Grants</u>						
National Government:	12 487	–	–	12 487	12 616	13 187
Municipal Infrastructure Grant (MIG)	12 487		–	12 487	12 616	13 187
Other capital transfers [insert description]			–	–		
Provincial Government:	–	–	–	–	–	–
			–	–		
[insert description]			–	–		
District Municipality:	–	265	265	265	–	–
BUS SHELTERS		265	265	265		
Other grant providers:	–	–	–	–	–	–
[insert description]			–	–		
Total Capital Transfers and Grants	12 487	265	265	12 752	12 616	13 187
TOTAL RECEIPTS OF TRANSFERS & GRANTS	45 626	(11 665)	(11 665)	33 961	332 464	54 986

The above table shows all adjustments to anticipated transfers. The amount of R265 000 was received from uThungulu District Municipality for the purpose of building bus shelters and omitted from the original budget by error. However progress is being made on the project its self.

The next table shows unspent funds where conditions have been met which have been subsequently included in the adjustment budget funding.

Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds –[SB9]

Description	Budget Year 2013/14				Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands						
Operating transfers and grants:						
National Government:						
Balance unspent at beginning of the year		139	139	139		
Current year receipts			–	–		
Conditions met - transferred to revenue	–	139	139	139	–	–
Current year receipts			–	–		
Conditions met - transferred to revenue	–	–	–	–	–	–
Other grant providers:						
Balance unspent at beginning of the year		1 914	1 914	1 914		
Current year receipts			–	–		
Conditions met - transferred to revenue	–	1 914	1 914	1 914	–	–
Conditions still to be met - transferred to liabilities			–	–		
Total operating transfers and grants revenue	–	2 053	2 053	2 053	–	–
Total operating transfers and grants - CTBM	–	–	–	–	–	–
Capital transfers and grants:						
National Government:						
Balance unspent at beginning of the year		9 298	9 298	9 298		
Current year receipts			–	–		
Conditions met - transferred to revenue	–	9 298	9 298	92 98	–	–
Conditions still to be met - transferred to liabilities						
Conditions still to be met - transferred to liabilities			–	–		
Other grant providers:						
Balance unspent at beginning of the year		2 175	2 175	2 175		
Current year receipts			–	–		
Conditions met - transferred to revenue	–	2 175	2 175	2 175	–	–
Conditions still to be met - transferred to liabilities			–	–		
Total capital transfers and grants revenue	–	11 473	11 473	11 473	–	–
Total capital transfers and grants - CTBM	–				–	–
TOTAL TRANSFERS AND GRANTS REVENUE	–	13 526	13 526	13 526	–	–

2.3 Adjustments to Councillor and employee benefits

Adjustments Budget - councillor and staff benefits - [SB11]

Summary of remuneration	Budget Year 2013/14				% change
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	
R thousands	A	10 F	11 G	12 H	
Councillors (Political Office Bearers plus Other)					
Basic Salaries and Wages	2 057		–	2 057	0,0%
Pension and UIF Contributions	225		–	225	0,0%
Medical Aid Contributions	15	17	17	32	115,9%
Motor Vehicle Allowance	420		–	420	0,0%
Cellphone Allowance	136		–	136	
Housing Allowances			–	–	
Other benefits and allowances	24	57	57	81	
Sub Total - Councillors	2 879	74	74	2 953	2,6%
% increase				0	
Senior Managers of the Municipality					
Basic Salaries and Wages	3 384		–	3 384	0,0%
Pension and UIF Contributions			–	–	
Medical Aid Contributions			–	–	
Overtime			–	–	
Performance Bonus	474	(474)	(474)	(0)	
Motor Vehicle Allowance			–	–	
Cellphone Allowance	78		–	78	0,0%
Housing Allowances			–	–	
Other benefits and allowances	–		–	–	
Payments in lieu of leave			–	–	
Long service awards			–	–	
Post-retirement benefit obligations			–	–	
Sub Total - Senior Managers of Municipality	3 935	(474)	(474)	3 461	-12,0%
% increase				(0)	
Other Municipal Staff					
Basic Salaries and Wages	10 117	685	685	10 802	6,8%
Pension and UIF Contributions	1 507	25	25	1 532	1,6%
Medical Aid Contributions	676	17	17	693	2,5%
Overtime	160		–	160	0,0%
Performance Bonus			–	–	
Motor Vehicle Allowance	628		–	628	0,0%
Cellphone Allowance			–	–	
Housing Allowances	–		–	–	
Other benefits and allowances	1 182	837	837	2 019	
Payments in lieu of leave			–	–	
Long service awards	250	(50)	(50)	200	-20,0%
Post-retirement benefit obligations	100		–	100	0,0%
Sub Total - Other Municipal Staff	14 621	1 513	1 513	16 134	10,3%
% increase					
Total Parent Municipality	21 435	1 113	1 113	22 546	5,2%
COUNCILLOR ALLOWANCES, EMPLOYEE REMUNERATION & ENTITY REMUNERATION					
	21 435	1 113	1 113	22 546	5,2%
% increase					
TOTAL MANAGERS AND STAFF	18 556	1 039	1 039	19 595	5,6%

The increase in councillor's remuneration is R17 000 as we had originally under budgeted for medical aid. An additional amount for councillor laptops was approved by council; this amount has been included under allowances.

It has been realised that no senior managers are due for a bonus this year as they all have been employed for less than a year, the bonuses were incorrectly budgeted for thus the reduction of R474 000 in the amount budgeted for the remuneration of senior managers.

Various adjustments have been made to the budgeted for the remuneration of other municipal staff. As a result of new vacancies filled during the course of the year as well as fluctuations in over time. There is also a possibility of the introduction of a wage stabilisation allowance for all municipal employees which will result in an increase of R837 000 in employee related expenses. Negotiations between SAMWU, SALGA and the municipality are still underway however a provision has been created for this possible expense.

2.4 Adjustments to Capital expenditure

List of capital programmes and projects affected by Adjustments Budget [SB19]

Municipal Vote/Capital project R thousand	IDP Goal Code	Individually Approved Yes/No	Asset Class	Medium Term Revenue and Expenditure Framework	
				Budget Year 2013/14	
				Original Budget	Adjusted Budget
Parent municipality:					
MIG - ROADS	COMPLETE	No	Infrastructure - Road transport	12 487	16 522
BUS SHELTERS	COMPLETE	Yes	Infrastructure - Road transport	–	265
NDUNDULU MARKET STALLS	COMPLETE	No	Community	–	2 175
SMALL TOWN REHABILITATION	COMPLETE	No	infrastructure	–	1 885
NOMPONJWANA ELECTRIFICATION	COMPLETE	NO	ELECTRIFICATION	6 000	11 263

The table above shows all capital projects that have been affected by the adjustments budget. See explanatory notes to table B4 for unspent capital funds where conditions have been met, and have since been transferred to revenue.

2.5 Other Supporting Tables

Supporting detail to 'Budgeted Financial Performance'[SB1]

Description	Budget Year 2013/14				Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<u>REVENUE ITEMS</u>						
<u>Property rates</u>						
Total Property Rates	9 378	950	950	10 328	10 638	10 957
less Revenue Foregone	3 178		–	3 178	3 273	3 372
Net Property Rates	6 200	950	950	7 150	7 365	7 585
<u>Service charges - electricity revenue</u>						
Total Service charges - electricity revenue	18 445		–	18 445	18 998	19 568
less Revenue Foregone	122		–	122	126	130
Net Service charges - electricity revenue	18 322	–	–	18 322	18 872	19 438
<u>Service charges - refuse revenue</u>						
Total refuse removal revenue	1 115		–	1 115	1 148	1 183
Total landfill revenue			–	–	–	–
less Revenue Foregone	2		–	2	2	2
Net Service charges - refuse revenue	1 113	–	–	1 113	1 146	1 180
<u>Other Revenue By Source</u>						
Fuel levy			–	–		
Other revenue	755	87	87	841	866	892
Total 'Other' Revenue	755	87	87	841	866	892
<u>EXPENDITURE ITEMS</u>						
<u>Employee related costs</u>						
Basic Salaries and Wages	13 501	685	685	14 185	14 611	15 049
Pension and UIF Contributions	1 507	25	25	1 532	1 578	1 625
Medical Aid Contributions	676	17	17	693	714	736
Overtime	160		–	160	165	170
Performance Bonus	474	(474)	(474)	0	0	0
Motor Vehicle Allowance	628		–	628	646	666
Cellphone Allowance	78		–	78	80	83
Other benefits and allowances	1 182	837	–	2 019	2 079	2 142
Long service awards	250	(50)	(50)	200	206	212
Post-retirement benefit obligations	100		–	100	103	106
sub-total	18 556	1 039	1 039	19 595	20 183	20 789
Less: Employees costs capitalised to PPE			–	–		
Total Employee related costs	18 556	1 039	1 039	19 595	20 183	20 789
<u>Depreciation & asset impairment</u>						
Depreciation of Property, Plant & Equipment	3 700		–	3 700	3 811	3 925
Total Depreciation & asset impairment	3 700	–	–	3 700	3 811	3 925
<u>Bulk purchases</u>						
Electricity	17 456		–	17 456	17 979	18 519
Total bulk purchases	17 456	–	–	17 456	17 979	18 519
<u>Contracted services</u>						
TMT, RURAL METRO, CONTRACT LABOUR	5 193	1 589	1 589	6 782	6 986	7 195
Total contracted services	5 193	1 589	1 589	6 782	6 986	7 195
<u>Other Expenditure By Type</u>						
General expenses	12 276	2 394	2 394	14 669	15 110	15 563
Total Other Expenditure	12 276	2 374	2 374	14 669	15 110	15 563

Supporting detail to 'Financial Position Budget' - [SB2]

Description	Budget Year 2013/14				Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands						
ASSETS						
<u>Call investment deposits</u>						
Call deposits < 90 days	500		–	500	500	500
Other current investments > 90 days	22 540		–	22 540	30 000	30 000
Total Call investment deposits	23 040	–	–	23 040	30 500	30 500
<u>Consumer debtors</u>						
Consumer debtors	2 010		–	2 010	1 755	2 185
Less: provision for debt impairment	–	–	–	–	–	–
Total Consumer debtors	2 010	–	–	2 010	1 755	2 185
<u>Property, plant & equipment</u>						
PPE at cost/valuation (excl. finance leases)	210 613		–	210 613	200 546	173 479
Leases recognised as PPE			–	–		
Less: Accumulated depreciation	35 067		–	35 067	47 067	48 567
Total Property, plant & equipment	175 546	–	–	245 680	153 479	124 912
LIABILITIES						
<u>Current liabilities - Borrowing</u>						
Short term loans (other than bank overdraft)			–	–		
Total Current liabilities - Borrowing	–	–	–	–	–	–
<u>Trade and other payables</u>						
Creditors	3 500		–	3 500	3 000	3 000
Unspent conditional grants and receipts	23 125		–	23 125		
VAT			–	–		
Total Trade and other payables	26 625	–	–	26 625	3 000	3 000
<u>Non current liabilities - Borrowing</u>						
Borrowing			–	–		
Finance leases (including PPP asset element)			–	–		
Total Non current liabilities - Borrowing	–	–	–	–	–	–
<u>Provisions - non current</u>						
Other	2 544		–	2 544	2 565	2 586
Total Provisions - non current	2 544	–	–	2 544	2 565	2 586
CHANGES IN NET ASSETS						
<u>Accumulated surplus/(Deficit)</u>						
Accumulated surplus/(Deficit) - opening balance	192 807		–	192 807	197 478	203 478
Accumulated Surplus/(Deficit)	192 807	–	–	192 807	197 478	203 478
TOTAL COMMUNITY WEALTH/EQUITY	192 807	–	–	192 807	197 478	203 478

MTHONJANENI MUNICIPALITY 2014

Adjustments Budget - monthly revenue and expenditure (municipal vote) - [SB12]

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands															
Revenue by Vote															
Vote 1 - Council												-	-	-	-
Vote 2 - Municipal Manager												-	-	-	-
Vote 3 - Financial Services	1 739	1 994	973	2 573	10 555	3 254	2 123	2 123	2 123	2 123	2 123	3 084	34 788	35 832	36 906
Vote 4 - Corporate and Community Service	3	(2)	4	3	2	1	2	2	2	2	2	2	22	23	23
Vote 7 - Protection Services	621	687	495	375	600	322	442	442	442	442	442	446	5 756	5 929	6 107
Vote 8 - Technical Services	38	26	33	674	54	3 134	2 587	2 587	2 587	2 587	2 587	2 589	19 481	20 065	20 667
Vote 9 - Refuse Removal	108	108	108	108	108	95	79	79	79	79	79	84	1 115	1 148	1 183
Vote 10 - Electricity	1 744	1 549	1 472	5 952	1 736	1 291	783	783	783	783	783	6 049	23 708	24 419	25 151
Total Revenue by Vote	4 253	4 362	3 085	9 685	13 055	8 096	6 016	6 016	6 016	6 016	6 016	12 254	84 870	87 416	90 038
Expenditure by Vote															
Vote 1 - Council	271	305	302	413	286	365	376	376	376	376	376	396	4 219	4 345	4 476
Vote 2 - Municipal Manager	138	216	178	179	720	200	193	193	193	193	193	234	2 829	2 914	3 001
Vote 3 - Financial Services	795	(366)	2 040	315	699	671	745	745	745	745	745	847	8 728	8 990	9 260
Vote 4 - Corporate and Community Service	324	418	578	676	444	695	662	662	662	662	662	817	7 262	7 480	7 704
Vote 5 - Public Safety	146	146	146	146	146	291	198	198	198	198	198	198	2 207	2 273	2 341
Vote 6 - Public Health						-						-	-	-	-
Vote 7 - Protection Services	272	319	970	490	530	739	521	521	521	521	521	679	6 604	6 802	7 006
Vote 8 - Technical Services	686	710	903	944	733	968	1 346	1 346	1 346	1 346	1 346	1 621	13 295	13 694	14 104
Vote 9 - Refuse Removal	51	67	179	107	262	127	167	167	167	167	167	232	1 860	1 915	1 973
Vote 10 - Electricity	1 738	1 945	1 821	1 405	1 385	1 520	1 893	1 893	1 893	1 893	1 893	1 957	21 236	21 873	22 529
Total Expenditure by Vote	4 421	3 759	7 117	4 675	5 205	5 576	6 101	6 101	6 101	6 101	6 101	6 980	68 239	70 286	72 394
Surplus/ (Deficit)	(168)	603	(4 032)	5 010	7 850	2 519	(85)	(85)	(85)	(85)	(85)	5 274	16 631	17 130	17 644

MTHONJANENI MUNICIPALITY 2014

Adjustments Budget - monthly revenue and expenditure (standard classification) - SB13

Description - Standard classification	Budget Year 2013/14												Medium Term		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue - Standard															
<i>Governance and administration</i>	2 699	1 994	977	2 576	10 558	3 254	1 963	1 963	1 963	1 963	1 963	2 920	34 793	35 837	36 912
Budget and treasury office	2 696	1 994	973	2 573	10 555	3 254	1 963	1 963	1 963	1 963	1 963	2 927	34 788	35 832	36 906
Corporate services	3		4	3	2	0						(7)	5	5	5
<i>Community and public safety</i>	659	713	528	400	653	21	-	-	-	-	-	2	2 975	3 064	3 156
Sport and recreation												2	2 975	3 064	3 156
<i>Economic and environmental services</i>	-	4 235	-	650	-	3 436	2 327	2 327	2 327	2 327	2 327	2 324	22 280	22 948	23 636
Planning and development												-	-	-	-
Road transport		4 235		650		3 436	2 327	2 327	2 327	2 327	2 327	2 324	22 280	22 948	23 636
Environmental protection												-	-	-	-
<i>Trading services</i>	1 839	1 642	1 567	6 047	1 831	1 386	1 756	1 756	1 756	1 756	1 756	6 121	24 822	25 567	26 334
Electricity	1 744	1 547	1 472	5 952	1 736	1 291	1 661	1 661	1 661	1 661	1 661	1 661	23 708	24 419	25 151
Waste management	95	95	95	95	95	95	95	95	95	95	95	70	1 115	1 148	1 183
<i>Other</i>												-	-	-	-
Total Revenue - Standard	5 197	8 585	3 072	9 672	13 042	8 096	6 046	6 046	6 046	6 046	6 046	11 367	84 870	87 416	90 038
Expenditure - Standard															
<i>Governance and administration</i>	1 528	574	3 098	1 583	2 149	1 904	1 949	1 949	1 949	1 949	1 949	1 941	22 521	23 197	23 893
EXECUTIVE & COUNCIL	409	521	480	592	1 006	565	569	569	569	569	569	630	7 047	7 259	7 477
Budget and treasury office	795	(366)	2 040	315	699	671	745	745	745	745	745	847	8 728	8 990	9 260
Corporate services	324	418	578	676	444	668	635	635	635	635	635	463	6 746	6 948	7 157
<i>Community and public safety</i>	832	855	1 031	952	878	1 266	1 543	1 543	1 543	1 543	1 543	1 844	15 373	15 834	16 309
Community and social services	686	710	885	806	733	975	1 345	1 345	1 345	1 345	1 345	1 646	13 166	13 561	13 968
Public safety	146	146	146	146	146	291	198	198	198	198	198	198	2 207	2 273	2 341
<i>Economic and environmental services</i>	272	319	988	628	530	759	492	492	492	492	492	1 291	7 248	7 466	7 690
Planning and development	272	319	988	628	530	759	492	492	492	492	492	647	6 604	6 802	7 006
Environmental protection												645	645	664	684
<i>Trading services</i>	1 789	2 012	2 000	1 511	1 648	1 647	2 059	2 059	2 059	2 059	2 059	2 194	230 969	23 789	24 502
Electricity	1 738	1 945	1 821	1 405	1 385	1 520	1 893	1 893	1 893	1 893	1 893	1 957	21 236	21 873	22 529
Waste management	51	67	179	107	262	127	166	166	166	166	166	237	1 860	1 915	1 973
<i>Other</i>												-	-	-	-
Total Expenditure - Standard	4 421	3 759	7 117	4 675	5 205	5 576	6 043	6 043	6 043	6 043	6 043	7 270	68 239	70 286	72 394
Surplus/ (Deficit) 1.	776	4 826	(4 045)	4 997	7 837	2 519	3	3	3	3	3	7 270	68 239	70 286	72 394

MTHONJANENI MUNICIPALITY 2014

Adjustments Budget - monthly revenue and expenditure - [SB14]

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands															
<u>Revenue By Source</u>															
Property rates	1 598	641	641	641	641	641	641	641	641	641		(216)	7 150	7 365	7 585
Property rates - penalties & collection charges	27	32	37	47	36	39	38	38	38	38	38	43	450	464	477
Service charges - electricity revenue	1 744	1 562	1 472	1 485	1 594	1 291	1 531	1 531	1 531	1 531	1 531	1 520	18 322	18 872	19 438
Service charges - refuse	95	95	95	95	95	95	90	90	90	90	90	93	1 113	1 146	1 180
Service charges - other												—	—	—	—
Rental of facilities and equipment	16	18	24	17	20	12	27	27	27	27	27	32	275	283	292
Interest earned - external investments	137	125	68	80	601	1 326	273	273	273	273	273	97	3 800	3 914	4 031
Fines	368	440	295	246	306	189	126	126	126	126	126	126	2 600	2 678	2 758
Licences and permits	254	248	200	129	294	133	262	262	262	262	262	266	2 832	2 917	3 005
Agency services												—	—	—	—
Transfers recognised - operational	929	1 194		936	9 563	316	1 774	1 774	1 774	1 774	1 774	(430)	21 377	22 019	22 679
Other revenue	30	7	239	102	(250)	23	104	104	104	104	104	170	841	866	892
Gains on disposal of PPE												—	—	—	—
Total Revenue	5 197	4 362	3 071	3 778	12 901	4 064	4 866	4 866	4 866	4 866	4 225	1 700	58 761	60 523	62 339
<u>Expenditure By Type</u>															
Employee related costs	1 419	1 497	1 555	1 439	1 548	2 386	1 478	1 478	1 478	1 478	1 478	2 361	19 595	20 183	20 789
Remuneration of councillors	175	222	222	278	222	222	222	222	222	222	222	429	2 879	2 965	3 054
Finance charges												—	—	—	—
Bulk purchases	1 671	1 866	1 719	1 268	1 262	1 264	1 400	1 400	1 400	1 400	1 400	1 405	17 456	17 979	18 519
Other materials	5	67	149	271	310	107	374	374	374	374	374	378	3 158	3 252	3 350
depreciation												3 700	3 700	3 811	3 925
Contracted services	146	146	146	1 033	314	567	739	739	739	739	739	736	6 782	6 986	7 195
Grants and subsidies												—	—	—	—
Other expenditure	1 006	(39)	3 326	386	1 551	1 029	1 239	1 239	1 239	1 239	1 239	1 216	14 669	15 110	15 563
Loss on disposal of PPE												—	—	—	—
Total Expenditure	4 421	3 759	7 117	4 675	5 205	5 576	5 452	5 452	5 452	5 452	5 452	10 225	68 239	70 286	72 394
Surplus/(Deficit)	775	603	(4 046)	(897)	7 696	(1 512)	(586)	(586)	(586)	(586)	(1 227)	(8 526)	(9 478)	(9 762)	(10 055)
Transfers recognised - capital		4 235		5 895	250	4 032						11 699	26 110	26 894	27 700
Surplus/(Deficit) after capital transfers & cont	775	4 838	(4 046)	4 998	7 946	2 519	(586)	(586)	(586)	(586)	(1 227)	3 173	16 632	17 131	17 645

MTHONJANENI MUNICIPALITY 2014

Adjustments Budget - monthly cash flow -[SB15]

Monthly cash flows	Budget Year 2013/14												Medium Term Revenue and Expenditure		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands															
Cash Receipts By Source															
Property rates	283	435	773	378	2 262	240	721	721	721	72	721	173	7 500	7 725	7 957
Property rates - penalties & collection charges	27	32	37	47	36	39	36	36	36	36	36	37	434	447	460
Service charges - electricity revenue	1 877	1 567	1 729	1 600	1 694	1 320	1 600	1 600	1 600	1 600	1 600	1 535	19 323	19 903	20 500
Service charges - refuse	171	79	124	94	113	63	95	95	95	95	95	95	1 215	1 251	1 289
Service charges - other												-			
Rental of facilities and equipment	16	18	24	17	22	13	18	18	18	18	18	21	222	229	236
Interest earned - external investments	137	125	68	80	601	1 326	69	69	69	69	69	70	2 753	2 836	2 921
Fines	368	440	295	246	306	189	126	126	126	126	126	126	2 600	2 678	2 758
Licences and permits	254	248	200	129	294	133	429	429	429	429	429	430	3 832	3 947	4 065
Agency services												-			
Transfer receipts - operational	2 509	1 924			9 543			300	6 933			-	21 209	21 845	22 501
Other revenue	30	11	240	197	(272)	21	140	50	50	50	50	(118)	450		
Cash Receipts by Source	5 672	4 879	3 490	2 789	14 600	3 345	3 234	3 444	10 077	2 495	3 144	2 370	59 538	60 861	62 686
Other Cash Flows by Source															
Transfers receipts - capital	7 500				4 987							-	12 487	12 862	13 247
Total Cash Receipts by Source	13 172	4 879	3 490	2 789	19 587	3 345	3 234	3 444	10 077	2 495	18 144	8 289	92 944	73 722	75 934
Cash Payments by Type															
Employee related costs	1 419	1 497	1 555	1 439	1 548	2 386	1 477	1 477	1 477	1 477	1 477	1 482	18 712	19 273	19 852
Remuneration of councillors	175	222	222	278	222	222	222	222	222	222	222	222	2 673	2 753	2 836
Bulk purchases - Electricity	1 671	1 866	1 719	1 268	1 262	1 274	1 400	1 400	1 400	1 400	1 400	1 396	17 456	17 980	18 519
Bulk purchases - Water & Sewer												-			
Other materials	5	67	149	271	310	107	151	151	100	151	151	206	1 820	1 875	1 931
Contracted services	146	146	146	1 033	169	501	773	773	773	773	773	777	6 782	6 985	7 195
General expenses	1 006	(39)	3 326	386	1 551	1 085	1 166	1 166	1 166	1 166	1 166	1 550	14 695	15 136	15 590
Cash Payments by Type	4 421	3 759	7 117	4 675	5 062	5 576	5 189	5 189	5 138	5 189	5 189	5 633	62 138	64 002	65 922
Other Cash Flows/Payments by Type															
Capital assets	-	112	5 067	1 122	6 207	2 953	3 307	3 307	3 307	3 307	15 000	3 311	47 000		
Total Cash Payments by Type	4 421	3 871	12 184	5 797	11 269	8 529	8 496	8 496	8 445	8 496	20 189	8 945	109 138	64 002	65 922
NET INCREASE/(DECREASE) IN CASH HELD	8 751	1 008	(8 694)	(3 008)	8 317	(5 184)	(5 262)	(5 052)	1 632	(6 001)	(2 045)	(656)	(16 194)	9 720	10 012
Cash/cash equivalents at the month/year beginning:	71 054	79 805	80 813	72 119	69 111	77 428	72 244	66 982	61 930	63 562	57 561	55 516	71 054	54 860	64 580
Cash/cash equivalents at the month/year end:	79 805	80 813	72 119	69 111	77 428	72 244	66 982	61 930	63 562	57 561	55 516	54 860	54 860	64 580	74 592

MTHONJANENI MUNICIPALITY 2014

Adjustments Budget - monthly capital expenditure (municipal vote) - [SB16]

Description - Municipal Vote	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands															
Multi-year expenditure appropriation															
Vote 1 - Council	-	-	-	401	9	416	74	35	-	-	-	0	935	1 024	1 082
Vote 2 - Municipal Manager	-	3	5	-	-	26	-	-	-	-	-	211	245	-	-
Vote 3 - Financial Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate and Community Services	-	-	-	24	7	7	-	115	109	38	-	355	655	-	-
Vote 5 - Public Safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Protection Services	-	-	-	-	-	-	153	153	153	153	153	153	918	970	1 024
Vote 8 - Technical Services	-	3	1 219	428	6 191	811	2 218	2 219	2 219	2 219	2 219	4 565	24 312	16 455	17 376
Vote 9 - Refuse Removal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Electricity	-	106	3 842	268	-	1 693	364	364	364	364	15 000	5 627	27 993	-	-
Capital Multi-year expenditure sub-total	-	112	5 067	1 122	6 207	2 953	2 809	2 886	2 845	2 774	17 372	10 911	55 058	18 448	19 482

Adjustments Budget - monthly capital expenditure (standard classification) - [SB17]

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands															
Capital Expenditure - Standard															
Governance and administration	-	3	5	426	16	448	35	115	209	103	-	474	1 835	1 024	1 082
Executive and council		3	5	401	9	442	35		100	65		120	1 180	1 024	1 082
Budget and treasury office												-	-	-	-
Corporate services				24	7	7	-	115	109	38		355	655	-	-
Community and public safety	-	3	649	428	3 460	223	120	120	120	120	120	2 677	8 038	4 174	4 408
Community and social services		3	649	428	3 460	223	120	120	120	120	120	1 759	7 120	3 205	3 384
Sport and recreation												-	-	-	-
Public safety				-								918	918	970	1 024
Economic and environmental services	-	-	570	-	2 731	588	2 218	2 219	2 219	2 219	2 219	2 208	17 192	13 250	13 992
Planning and development												-	-	-	-
Road transport			570		2 731	588	2 218	2 219	2 219	2 219	2 219	2 208	17 192	13 250	13 992
Environmental protection												-	-	-	-
Trading services	-	106	3 842	268	-	1 693	364	364	364	364	15 000	5 627	27 993	-	-
Electricity		106	3 842	268		1 693	364	364	364	364	15 000	5 627	27 993	-	-
Other												-	-	-	-
Total Capital Expenditure - Standard	-	112	5 067	1 122	6 207	2 953	2 737	2 818	2 912	2 806	17 339	10 988	55 058	18 448	19 482

Adjustments Budget - capital expenditure on new assets by asset class -[SB18a]

Description	Budget Year 2013/14				Budget Year +1 2014/15	Budget Year +2 2015/16
	Original Budget	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	12 F	13 G	14 H		
R thousands						
Capital expenditure on new assets by Asset Class/Sub-class						
Infrastructure	27 487	16 183	16 183	43 670	13 250	13 992
Infrastructure - Road transport	12 487	4 035	4 035	16 522	13 250	13 992
<i>Roads, Pavements & Bridges</i>	12 487	4 035	4 035	16 522	13 250	13 992
<i>Storm water</i>			-	-		
Infrastructure - Electricity	15 000	11 263	11 263	26 263	-	-
<i>Generation</i>			-	-		
<i>Transmission & Reticulation</i>	15 000	11 263	11 263	26 263		
<i>Sewerage purification</i>			-	-		
Infrastructure - Other	-	885	885	885	-	-
<i>Refuse</i>			-	-		
<i>Transportation</i>		885	885	885		
<i>Gas</i>			-	-		
<i>Other</i>			-	-		
Community	-	2 175	2 175	2 175	-	-
Other		2 175	2 175	2 175		
Other assets	6 713	2 500	2 500	9 213	5 199	5 490
General vehicles	900	710	710	1 610		
Specialised vehicles	-	-	-	-	-	-
Plant & equipment	5 363	1 290	1 290	6 653		
Computers - hardware/equipment	5	150	150	155		
Furniture and other office equipment	95	150	150	245		
Abattoirs			-	-		
Markets			-	-		
Civic Land and Buildings			-	-		
Other Buildings	350	200	200	550		
Other Land			-	-		
Surplus Assets - (Investment or Inventory)			-	-		
Other			-	-	5 199	5 490
Total Capital Expenditure on new assets to	34 200	20 858	20 858	55 058	18 449	19 482

Municipal manager's quality certificate



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MELMOTH

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Mthonjaneni Municipality

I **R.P Mnguni** municipal manager of Mthonjaneni Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with S72 of the Municipal Finance Management Act and the regulations made under this Act.

Print Name **Raymond Phiwamandla Mnguni**
Municipal manager of Mthonjaneni Municipality (KZN285)

Signature _____

Date **January 2014**